Feature	Context										
Average System Cost	2026 ASCM BPA Staff proposal. 2026 ASCM to include only like-for-like transmission										
Methodology	costs compared to those included in BPA Power rates.										
Calculation of REP Benefits (BP-26 Final	Base REP Benefits calculated using Reference Case as updated for:										
Proposal vintage	1. General updates consistent with the BP-26 Final Proposal.										
information for years 2029 and 2030)	 Resource stack refinements – increase in the assumed cost of the resources in the stack and removal of Mid-C resources owned by public customers without a PF contract. Use a single PFx rate which can increase the total REP benefits paid when an 										
	exchanging utility would otherwise go negative after 7(b)(3) is applied. 4. Removal of transmission costs from ASCs that are not included in BPA's power rates (i.e., third-party transmission costs and transmission costs associated with sales for resale would be included in ASCs).										
	BPA would also calculate a "Settlement Term 7(b)(3) Amount" (estimated at \$27.88/MWh) for the 16-year settlement term.										
	Estimated REP Benefits at \$151.1 million per year***										
	Below are BPA Staff Proposed Negotiable Implementation Details										
Separating REP	BPA would separate the \$151.1 million in REP Benefits into Base REP Benefits, Variable										
Benefits by Source	REP Benefits related to secondary revenue, and 7(b)(3) rate surcharge REP Benefits.										
	+ \$124.2 million Base REP Benefits										
	+ \$24.2 million Variable REP Benefits										
	+ \$2.7 million IP 7(b)(3) REP Benefits*** (contingent on IP load)										
	+\$TBD million NR 7(b)(3) REP Benefits*** (contingent on NR load)										
	= \$151.1 million Expected REP Benefits per year on average.										
Estimated Size of	Estimated to be \$124.2 million per year on average over the 16-year settlement term.										
Base REP Benefits	Front loaded change using on NDV coloulation with a 20% annual inflation rate. First vacu										
Shape of Base REP Benefits	Front loaded shape using an NPV calculation with a 2% annual inflation rate. First year (FY 2029) estimated at \$174 million and last year (FY 2044) estimated at \$69.4 million.										
Variable REP Benefits	BPA to calculate a P10 hydro capability by water period for a defined set of federal hydro resources. Water periods (e.g., months/partial months) would be proposed and adopted in each 7(i) Process. When actual generation at these specific hydro projects is above the rate case determined P10 amount, exchanging utilities would receive an estimated ~5.2% of the actual output financial value. The ~5.2% would be calculated once and set for the settlement term and represents the PF exchange share of the secondary energy value that remains after 7b3 is applied. The ~5.2% is calculated with the following formula:										
	$\frac{\textit{PFx Load}}{\textit{PFp} + \textit{PFx} + \textit{IP Load}} \times \frac{\textit{BaseREPBenefits}}{\textit{UnconstrainedBenefits}}$										
	Expected case ~\$24.2 million per year										

Exchange Eligibility	IOU must have an annual ASC higher than PF Un bifurcated rate prior to any 7(b)(3) allocation.									
Allocating REP	Apply the same method as was adopted in the current settlement agreement, which is									
Benefits to Eligible	a proportional allocation of REP settlement benefits based on a utility's unconstrained									
Exchanging Utilities	benefits relative to the sum of all exchanging utility unconstrained benefits.									
IP Rate	BPA would set IP rate for Port Townsend Paper using a post-7(b)(3) IP-PF Link. This means									
	the cost of the Settlement Term 7(b)(3) Amount allocated to Port Townsend Paper IP load									
	will be proportionally recovered from PFp and IP loads. The IP rate for Port Townsend									
	Power would be equal to PF Public Rate + typical margin – Value of Reserves. For any other									
	IP Load, the IP rate would be set equal PF Public Rate + typical margin – Value of Reserves									
	+ Settlement Term 7(b)(3) Amount. Any revenue generated from the Settlement Term									
	7(b)(3) Amount applied to IP loads, including any portion associated with Port Townsend									
	Paper, would be allocated at the end of each fiscal year to exchanging utilities with the									
	following equation:									
	IItilityRasaRanafits									
	$UtilityShare = IP_7(b)(3)Rev \times \frac{UtilityBaseBenefits}{\sum UtilityBaseBenefits}$									
	$\sum UtilityBaseBenefits$									
	Estimated REP Benefits at \$2.7 million per year*** (contingent on IP load)									
	*** If ID load is zero for any reason, including if augrent Part Townsond Dower load were to									
	*** If IP load is zero for any reason, including if current Port Townsend Power load were to									
NR Rate	become eligible for PF power, this portion of the REP Benefits would go away.									
NK Kale	BPA to set all NR power rates including the Settlement Term 7(b)(3) Amount. BPA would									
	also set a new NR rate for discretionary and term-limited requirements power based on									
	BPA resource costs plus other costs that it determines are being used/incurred to serve									
	such load plus the Settlement Term 7(b)(3) Amount. Revenue generated from the									
	Settlement Term 7(b)(3) Amount would be allocated at the end of each fiscal year to									
	exchanging utilities with the following equation:									
	UtilityBaseBenefits									
	$UtilityShare = NR_7(b)(3)Rev \times \frac{UtilityBaseBenefits}{\sum UtilityBaseBenefits}$									
	Estimated REP Benefits TBD*** (contingent on NR load)									
	*** If BPA provides NR load service, this would provide additional REP benefits, else, this									
	would be equal to zero.									
Risk	Similar to the Slice and Non-Slice products, the REP would not be subject to any mid-rate									
	period adjustments for risk as exchanging utilities would directly bear the risk of									
	secondary revenue, would be paid benefits based on actual 7(b)(3) revenue generation,									
	booolidary reversae, weath be paid benefite based on detail (b)(b) reversae generation,									
	and would have known and fixed Base Benefits regardless of actual rate-period changes in									

			Settlemen	t Term 7(b)(3) Amour	nt (\$/MWh)	27.88				aMW						
			Uncons	trained REI	Benefits (\$millions)	662.2			PFp Load	7660.3						
									Eligi	ble PFx Load	2132.1						
			RAM Calculate	d Total REI	Benefits (\$millions)	157.3			IP Load	11.4						
	RAM NR 7(b)(3) REP Benefits (\$millions)					6.2			NR Load	26.4							
RAM C	RAM Calculated Total REP Benefits less RAM NR 7(b)(3) REP Benefits (\$millions)						151.1	Т	otal Load (e	xcluding NR)	9803.7						
						y Inventory		[Eligible PF	x Load]/[[PF	p Load]+[Elig	ible PFx Lo	ad]+[IP Lo	ad]] x [REP	Benefits]/[I	Unconstra	ined REP B	enefits]
		Expected Secondary (\$mil			. ,	-											
	Expected R		Expected REP	Share of Secondary (\$millions)			\$ 24.2										
							Total										
							REP	Expected		Average Base REP							
								Secondary		Benefits							
		.,					\$ 151.1	-		-	.,		.,	.,			
	2%	Year	Year	Year	Year	Year -	Year	Year	Year		Year	Year	Year	Year	Year	Year	Year
(\$millions)		1							-		10						
Flat Base REP Benefits	1,,	124.2															
Shaped Base REP Benefits		174.0	166.9				138.4	131.3		117.4	110.5				83.1	76.3	69.4
NPV Equal?	TRUE			Front Bas	e REP Payr	nents	1		Midpoint				Back Base	Payments			1
									D DE) D 6'+-							
									Base REP Benefits Shape								
									Sn	'							
										Back							
									Front Add								
									` '	(\$millions)							
									7.12	6.85							
		Year	Year	Year	Year	Year	Year	Year	Year	Year	Year	Year	Year	Year	Year	Year	Year
		1	2	3	4	5	6	7	8	9	10	11	12	13	14	15	16
Fixed Base REP Bene	fits (\$millions)	_		\$ 159.8		-	\$ 138.4		-	-	\$ 110.5	\$ 103.7		\$ 90.0	\$ 83.1		-
Expected Variable REP Benefits (\$millions)					\$ 24.2	\$ 24.2		\$ 24.2				\$ 24.2			\$ 24.2	\$ 24.2	-
IP 7(b)(3) REP Benefits	*** (\$millions)	\$ 2.7	\$ 2.7	\$ 2.7	\$ 2.7	\$ 2.7	\$ 2.7	\$ 2.7	\$ 2.7	\$ 2.7	\$ 2.7	\$ 2.7	\$ 2.7	\$ 2.7	\$ 2.7	\$ 2.7	\$ 2.7
NR 7(b)(3) REP Benefits	*** (\$millions)	TBD	TBD	TBD	TBD	TBD	TBD	TBD	TBD	TBD	TBD	TBD	TBD	TBD	TBD	TBD	TBD
Total Expected REP Benefits	*** (\$millions)	\$ 200.94	\$ 193.82	\$ 186.70	\$ 179.58	\$ 172.46	\$ 165.34	\$ 158.22	\$ <u>1</u> 51.10	\$ 144.25	\$ 137.40	\$ 130.55	\$ 123.70	\$ 116.85	\$ 110.00	\$ 103.15	\$ 96.30
	*** Continger	nt on actual	IP and NR load														